



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

David Knox  
Democrats for Good Government  
Riverdale, GA 30296

**OCT 24 2011**

Re: MUR 6138

Dear Mr. Knox:

On December 1, 2008, the Federal Election Commission received a copy of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to Democrats for Good Government and to you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on May 25, 2010, found that there is reason to believe Democrats for Good Government and you violated 2 U.S.C. §§ 434(c) and 441d(a), provisions of the Act, with regard to reporting and disclaimers related to two communications. See the Commission's Factual and Legal Analysis provided to you on August 9, 2010. Based on the results of its investigation, the Commission determined, on October 18, 2011, to take no further action regarding its previous reason to believe findings. Also on October 18, 2011, the Commission dismissed the allegation that Democrats for Good Government violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee. Accordingly, the Commission closed its file in this matter. The Factual and Legal Analysis, which more fully explains the Commission's dismissal, is enclosed for your information.

Based on the information before the Commission, it appears that Democrats for Good Government may have failed to register and file reports as a political committee under 2 U.S.C. §§ 433 and 434. The Commission cautions Democrats for Good Government to take steps to ensure that its conduct is in compliance with the Act and the Commission regulations.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009).

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If you have any questions, please contact Shana M. Broussard, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Allen".

Mark Allen  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Democrats for Good Government **MUR 6138**

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission ("the Commission") by David Scott for Congress through its campaign manager Kwame Vidal. *See* 2 U.S.C. § 437g(a)(1).

**II. INTRODUCTION**

The complaint alleges that Democrats for Good Government ("DGG") received contributions and made an expenditure in excess of \$1,000 in 2008, but failed to register with the Commission as a political committee. *See* 2 U.S.C. §§ 433 and 434. Based upon the complaint, the response, and the available information, the Commission dismisses the allegation that Democrats for Good Government violated 2 U.S.C. §§ 433 and 434, and cautions the respondent.

**III. FACTUAL AND LEGAL ANALYSIS**

**A. Factual Background**

DGG is not registered as a political committee with the Commission or the Georgia State Ethics Commission, and is not registered with the IRS as a section 527 organization. DGG is comprised of a single member, its creator David Knox. According to DGG's website, it is "[t]he place to get the facts about Democrats who are really doing the work for Democrats."

*See* <http://www.democratsforgoodgovernment.com>. However, the entire content of the website appears to focus on material opposing Rep. David Scott. *See id.*

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1 Included with the complaint was a communication herein entitled "Corrupt," a 3.5 x 8.5  
2 inch double-sided card. One side of the communication begins with the heading "**CORRUPT**  
3 **DAVID SCOTT**," followed by a picture of Rep. Scott and the statement "David Scott is  
4 **CORRUPT!!!!**" The communication then refers the reader to www.voteoutdavidscott.com. The  
5 communication also contains a depiction of the Democratic Party donkey logo and the tagline,  
6 "Your Vote Counts for Change!" The other side of the communication refers to Scott as "The  
7 Worst Black Congressperson," and includes a cartoon depiction of Rep. Scott sitting on a mound  
8 of cash with the U.S. Capitol in the background. Both sides of the communication contain a  
9 disclaimer stating that it was paid for by "DemocratsForGoodGovernment.com." See Complaint  
10 Exhibit B.

11 The complaint also included an invoice dated August 26, 2008 from 48HourPrint.com in  
12 the amount of \$1,385.75 for 25,000 double-sided copies of the "3.5 x 8.5 Rack Cards --  
13 Corrupt." See Complaint Exhibit A. The invoice was billed to "Andrew" at 160 Deer Forest  
14 Trail, Fayetteville, Georgia, and includes a "blind shipping address" for "David" at 2326 Nicole  
15 Drive, Hampton, Georgia. The invoice "Ship to" addressee is David Knox at an address in  
16 Jonesboro, Georgia. Public records indicate that Deborah and Andrew Honeycutt are the owners  
17 of the Fayetteville address. Deborah T. Honeycutt was the 2008 Republican candidate for  
18 Congress opposing the Democratic incumbent, Rep. David Scott, in the 13<sup>th</sup> Congressional  
19 District of Georgia. HFC is the principal campaign committee for Deborah T. Honeycutt, and  
20 her spouse, Andrew Honeycutt, is the Committee's campaign manager.

21 David Knox personally designed and created the "Corrupt" communication. The  
22 available information does not suggest that DGG solicited or received contributions. The funds  
23 to print copies of "Corrupt" were provided by Andrew Honeycutt, who had known Knox

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1 personally and professionally since 2003 through their membership in an Atlanta-area church.  
2 Knox asked Honeycutt for a personal loan to procure materials for DGG. Honeycutt provided  
3 Knox with HFC's debit card, which Knox used to pay \$1,385.75 to 48HourPrint.com for copies  
4 of the "Corrupt" communication. According to Knox and Andrew Honeycutt, Knox later repaid  
5 Andrew Honeycutt for the funds used by Knox for the purchase of copies of the "Corrupt"  
6 communication in five installments. At the time of the final payment, the total amount was  
7 deposited into HFC's account. See Honeycutt for Congress Response to Commission's  
8 Subpoena ("HFC Response") Attachment 3.

9 **B. Legal Analysis**

10 The complaint alleges that in calendar year 2008 DGG received contributions and made  
11 expenditures in excess of the registration and reporting requirements of the Federal Election  
12 Campaign Act of 1971, as amended ("the Act"). See 2 U.S.C. §§ 433 and 434. The Act defines  
13 a "political committee" as any committee, club, association, or other group of persons which  
14 receives "contributions" or makes "expenditures" for the purpose of influencing a Federal  
15 election which aggregate in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The  
16 term "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of  
17 money or anything of value made by any person for the purpose of influencing any election for  
18 Federal office." 2 U.S.C. § 431(8)(A)(i). The term "expenditure" is defined to include "any  
19 purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value,  
20 made by any person for the purpose of influencing any election for Federal office." 2 U.S.C.  
21 § 431(9)(A)(i). Groups that trigger political committee status are required to register with the  
22 Commission and publicly report all of their receipts and disbursements. 2 U.S.C. §§ 433  
23 and 434.

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1           The Supreme Court has held that only organizations whose major purpose is campaign  
2 activity can potentially qualify as political committees under the Act. *See, e.g. Buckley v. Valeo*,  
3 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238, 262 (1986). The  
4 Commission has long applied the Court's major purpose test in determining whether an  
5 organization is a "political committee" under the Act, and it interprets that test as limited to  
6 organizations whose major purpose is Federal campaign activity (*i.e.*, the nomination or election  
7 of a Federal candidate). *See* Political Committee Status: Supplemental Explanation and  
8 Justification, 72 Fed. Reg. 5595, 5597, 5601 (Feb. 7, 2007).

9           According to David Knox, DGG did not solicit or receive any contributions, and the  
10 available information does not suggest otherwise. Therefore, Knox's repayment to HFC of  
11 \$1,385.75 for the printing cost of "Corrupt," apparently came from Knox's personal funds, not  
12 DGG's funds. To the extent that Knox was the ultimate payor of the \$1,385.75 for the printing  
13 of the "Corrupt" communication that expressly advocated the defeat of Rep. Scott, under  
14 11 C.F.R. § 100.22(a), it appears that DGG, through Knox, made expenditures by way of the  
15 "Corrupt" communication. Therefore, DGG satisfied the statutory in excess of \$1,000  
16 expenditure threshold for political committee status. Because DGG's sole activity to date has  
17 been advocating the defeat of Rep. Scott in his reelection efforts, it also appears that DGG has  
18 met the Commission's major purpose test. As such, it appears that DGG may constitute a  
19 political committee under the Act. Nonetheless, under the circumstances present here, the  
20 Commission exercises its prosecutorial discretion and dismisses the allegation that Democrats  
21 for Good Government violated 2 U.S.C. §§ 433 and 434, and cautions the respondent.

22           Knox stated that DGG has been dormant since 2008 and that its primary activity  
23 consisted of its websites, which were likely created and designed at minimal cost; however,

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1 Knox still maintains the websites, and the www.voteoutdavidscott.com website was recently  
2 updated.<sup>1</sup> The available information suggests that the “Corrupt” communication may have been  
3 minimally distributed. According to Knox, DGG does not have any bank accounts, and its only  
4 expense is a nominal monthly payment of \$9.95 for webhosting. As evidenced by the fact that  
5 DGG through Knox had to borrow a relatively low amount of funds to finance the “Corrupt”  
6 communication, it appears that DGG has no, or limited, funds of its own. Moreover, Knox stated  
7 that DGG has made no solicitations and received no contributions, and the Commission has  
8 discovered no information to the contrary. Accordingly, considering DGG’s limited conduct and  
9 apparent minimal costs spent toward the “Corrupt” communication and DGG’s minimal activity  
10 since 2008, the Commission exercises its prosecutorial discretion and dismisses the allegation  
11 that Democrats for Good Government violated 2 U.S.C. §§ 433 and 434 by failing to register and  
12 report as a political committee, and cautions this respondent. *See Heckler v. Chaney*, 470 U.S.  
13 821 (1985).

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<sup>1</sup> Knox recently updated his www.voteoutdavidscott.com website to include content alleging that Rep. Scott’s conduct contributed to a county school district within the 13<sup>th</sup> Congressional District losing its accreditation. In addition, the website has been updated to include additional links to news articles critical of Rep. Scott. *See* www.voteoutdavidscott.com (last viewed July 15, 2011).

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